

SERFF Tracking Number:	PRUD-125718737	State:	Arkansas
Filing Company:	The Prudential Insurance Company of America	State Tracking Number:	39498
Company Tracking Number:	IIGH-GRP113838-RP-AR		
TOI:	LTC03G Group Long Term Care	Sub-TOI:	LTC03G.001 Qualified
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	Rate Stabilization - Suitability/N/A		

## Filing at a Glance

Company: The Prudential Insurance Company of America

Product Name: Group Long Term Care Insurance  
 SERFF Tr Num: PRUD-125718737 State: ArkansasLH

TOI: LTC03G Group Long Term Care  
 SERFF Status: Closed State Tr Num: 39498  
 Sub-TOI: LTC03G.001 Qualified  
 Co Tr Num: IIGH-GRP113838-RP-AR State Status: Approved-Closed

Filing Type: Form  
 Co Status: IIGH Reviewer(s): Harris Shearer  
 Author: Raenonna Ransom Disposition Date: 07/21/2008  
 Date Submitted: 07/01/2008 Disposition Status: Approved-Closed

Implementation Date Requested: On Approval Implementation Date:

State Filing Description:

## General Information

Project Name: Rate Stabilization - Suitability  
 Project Number: N/A

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 07/21/2008

State Status Changed: 07/21/2008

Corresponding Filing Tracking Number:

Filing Description:

Group Long Term Care Insurance - Rate Stabilization Suitbaility

Status of Filing in Domicile: Not Filed

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Group

Group Market Size: Small and Large

Group Market Type: Employer, Association

Deemer Date:

## Company and Contact

### Filing Contact Information

SERFF Tracking Number: PRUD-125718737 State: Arkansas  
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Karen Smyth, Assistant Secretary karen.smyth@prudential.com  
2101 Welsh Road (215) 658-6279 [Phone]  
Dresher, PA 19025 (888) 294-6332[FAX]

**Filing Company Information**

The Prudential Insurance Company of America CoCode: 68241 State of Domicile: New Jersey  
751 Broad Street Group Code: 304 Company Type: Life  
Newark, NJ 07102-3777 Group Name: State ID Number:  
(973) 802-6000 ext. [Phone] FEIN Number: 22-1211670  
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## Filing Fees

Fee Required?	Yes
Fee Amount:	\$40.00
Retaliatory?	No
Fee Explanation:	
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
The Prudential Insurance Company of America	\$40.00	07/01/2008	21197188

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor (FM)	07/21/2008	07/21/2008

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## Disposition

Disposition Date: 07/21/2008

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Certification/Notice	Approved-Closed	Yes
Supporting Document	Application	Approved-Closed	Yes
Supporting Document	Health - Actuarial Justification	Approved-Closed	Yes
Supporting Document	Outline of Coverage	Approved-Closed	Yes
Form	Potential Rate Disclosure Form	Approved-Closed	Yes
Form	Things You Should Know About Long Term Care Insurance Disclosure Form	Approved-Closed	Yes

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## Form Schedule

**Lead Form Number:** GRP 113838

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved-Closed	GRP 113838	Other	Potential Rate Disclosure Form	Initial			GRP 113838 - Potential Rate Increase Disclosure Form - Rev - 12-2006 - Print Copy.pdf
Approved-Closed	GRP 113839	Other	Things You Should Know About Long Term Care Insurance Disclosure Form	Initial			GRP 113839 - Things You Should Know - Rev - 12-2006 - Print Copy.pdf

**Long Term Care Insurance  
Potential Rate Increase Disclosure Form**

1. **Premium Rate:** The premium rate that is applicable to you and that will be in effect until a request is made and filed for an increase is \$ \_\_\_\_\_.

2. **The premium for this policy will be shown on the Schedule of Benefits Page of your policy.**

3. **Rate Schedule Adjustments:** The company will provide a description of when premium rate or rate schedule adjustments will be effective (e.g., next anniversary date, next billing date, etc.) (fill in the blank): No premium rate or rate schedule adjustments are scheduled for this Policy.

4. **Potential Rate Revisions:** This policy is Guaranteed Renewable. This means that the rates for this policy may be increased in the future. Your rates can NOT be increased due to your increasing age or declining health, but your rates may go up based on the experience of all policyholders with a policy similar to yours.

**If you receive a premium rate or premium rate schedule increase in the future, you will be notified of the new premium amount and you will be able to exercise at least one of the following options:**

- Pay the increased premium and continue your policy in force as is.
- Reduce your policy benefits to a level such that your premiums will not increase. (Subject to state law minimum standards.)
- Exercise your non-forfeiture option if purchased. (This option is available for purchase for an additional premium.)
- Exercise your contingent non-forfeiture rights.\* (This option may be available if you do not purchase a separate non-forfeiture option.)

**\*Contingent Non-forfeiture**

If the premium rate for your policy goes up in the future and you didn't buy a non-forfeiture option, you may be eligible for contingent non forfeiture. Here's how to tell if you are eligible:

You will keep some long term care insurance coverage, if:



- Your premium after the increase exceeds your original premium by the percentage shown (or more) in the following table and
- You lapse (not pay more premiums) within 120 days of the increase.

The amount of coverage (i.e., new lifetime maximum benefit amount) you will keep will equal the total amount of premiums you've paid since your policy was first issued. If you have already received benefits under the policy, so that the remaining maximum benefit amount is less than the total amount of premiums you've paid, the amount of coverage will be that remaining amount.

Except for this reduced lifetime maximum benefit amount, all other policy benefits will remain at the levels attained at the time of the lapse and will not increase thereafter.

Should you choose this Contingent Non-forfeiture option your policy with this reduced maximum benefit amount will be considered paid up with no further premiums due.

**Example:**

You bought the policy at age 65 and paid the \$1,000 annual premium for 10 years, so you have paid a total of \$10,000 in premium.

In the eleventh year, you receive a rate increase of 50%, or \$500 for a new annual premium of \$1,500, and you decide to lapse the policy (not pay any more premiums).

Your paid-up policy benefits are \$10,000 (provided you have at least \$10,000 of benefits remaining under your policy.)

**Contingent Non-forfeiture**  
**Cumulative Premium Increase over Initial Premium**  
**That qualifies for Contingent Non-forfeiture**

(Percentage increase is cumulative from date of original issue. It does NOT represent a one-time increase.)

<b>Issue Age</b>	<b>Percent Increase Over Initial Premium</b>
29 and under	200%
30 – 34	190%
35 – 39	170%
40 – 44	150%
45 – 49	130%
50 – 54	110%
55 – 59	90%
60	70%
61	66%
62	62%
63	58%
64	54%
65	50%
66	48%
67	46%
68	44%
69	42%
70	40%
71	38%
72	36%
73	34%
74	32%
75	30%
76	28%
77	26%
78	24%
79	22%
80	20%
81	19%
82	18%
83	17%
84	16%
85	15%
86	14%
87	13%
88	12%
89	11%
90 and over	10%

In addition to the contingent nonforfeiture benefits described above, the following reduced “paid-up” contingent nonforfeiture benefit is an option in all policies that have a fixed or limited premium payment period, even if you selected a nonforfeiture benefit when you bought your policy. If both the reduced “paid up” benefit AND the contingent benefit described above are triggered by the same rate increase, you can choose either of the two benefits.

You are eligible for the reduced “paid up” contingent nonforfeiture benefit when all three conditions shown are met:

1. Premium you are required to pay after the increase exceeds your original premium by the same percentage or more shown in the chart below:

Triggers for a Substantial Premium Increase

<u>Issue Age</u>	<u>Percent Increase Over Initial Premium</u>
Under 65	50%
65 - 80	30%
Over 80	10%

2. You stop paying your premiums within 120 days of when the premium increase too effect; AND
3. The ratio of the number of months you already paid premiums is 40% or more than the number of months you originally agreed to pay.

If you exercise this option your coverage will be converted to reduced “paid-up” status. That means there will be no additional premiums required. Your benefits will change in the following ways:

- a. The total lifetime amount of benefits your reduced paid up policy will provide can be determined by multiplying 90% of the lifetime benefit amount at the time the policy becomes paid up by the ratio of the number of months you already paid premiums to the number of months you agreed to pay them.
- b. The daily benefit amounts you purchased will also be adjusted by the same ratio.

If you purchased lifetime benefits, only the daily benefit amounts you purchased will be adjusted by the applicable ratio:

**Example:**

- You bought the policy at age 65 with an annual premium payable for 10 years.
- In the sixth year, you receive a rate increase of 35% and you decide to stop paying premiums.
- Because you have already paid 50% of your total premium payments and that is more than the 40% ratio, your “paid-up” policy benefits are .45 (.90 times .50) times the total benefit amount that was in effect when you stopped paying premiums. If you purchased inflation protection, it will continue to apply to the benefits in the reduced “paid-up” policy.

## **THINGS YOU SHOULD KNOW BEFORE YOU BUY LONG-TERM CARE INSURANCE**

### **Long-Term Care Insurance**

- A long-term care insurance policy may pay most of the costs for your care in a nursing home. Many policies also pay for care at home or other community settings. Since policies can vary in coverage, you should read this policy and make sure you understand what it covers before you buy it.
- You should not buy this insurance policy unless you can afford to pay the premiums every year. Remember that Prudential can increase premiums in the future.
- The Personal Worksheet includes questions designed to help you and the company determine whether this policy is suitable for your needs.

### **Medicare**

- Medicare does **not** pay for most long-term care.

### **Medicaid**

- Medicaid will generally pay for long-term care if you have very little income and few assets. You probably should **not** buy this policy if you are now eligible for Medicaid.
- Many people become eligible for Medicaid after they have used up their own financial resources by paying for long-term care services.
- When Medicaid pays your spouse's nursing home bills, you are allowed to keep your house and furniture, a living allowance and some of your joint assets.
- Your choice of long-term care services may be limited if you are receiving Medicaid. To learn more about Medicaid, contact your local or state Medicaid agency.

### **Shopper's Guide**

- Make sure the insurance company or agent gives you a copy of a book called the National Association of Insurance Commissioners' *Shopper's Guide to Long-Term Care Insurance*. Read it carefully. If you have decided to apply for long-term care insurance, you have the right to return the policy within 30 days and get back any premium you have paid if you are dissatisfied for any reason or choose not to purchase the policy.

### **Counseling**

- Free counseling and additional information about long-term care insurance are available your state's insurance counseling program. Contact your state insurance department or department on aging for more information about the senior health insurance counseling program in your state.
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**Facilities**

- Some long-term care insurance contracts provide for benefit payments in certain facilities only if they are licensed or certified, such as in assisted living centers. However, not all states regulate these facilities in the same way. Also, many people move to a different state from where they purchased their long-term care insurance policy. Read the policy carefully to determine what types of facilities qualify for benefit payments, and to determine that payment for a covered service will be made if you move to a state that has a different licensing scheme for facilities than the one in which you purchased the policy.

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## **Rate Information**

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## Supporting Document Schedules

<b>Bypassed -Name:</b>	Certification/Notice	<b>Review Status:</b>	Approved-Closed	07/21/2008
<b>Bypass Reason:</b>	N/A - This is not a product filing.			
<b>Comments:</b>				
<b>Bypassed -Name:</b>	Application	<b>Review Status:</b>	Approved-Closed	07/21/2008
<b>Bypass Reason:</b>	N/A			
<b>Comments:</b>				
<b>Bypassed -Name:</b>	Health - Actuarial Justification	<b>Review Status:</b>	Approved-Closed	07/21/2008
<b>Bypass Reason:</b>	N/A			
<b>Comments:</b>				
<b>Bypassed -Name:</b>	Outline of Coverage	<b>Review Status:</b>	Approved-Closed	07/21/2008
<b>Bypass Reason:</b>	N/A			
<b>Comments:</b>				